

## Part Two

### *Action Within The Framework Of Society*

#### VIII. HUMAN SOCIETY

##### 1. Human Cooperation

**S**OCIETY is concerted action, cooperation. Society is the outcome of conscious and purposeful behavior.

This does not mean that individuals have concluded contracts by virtue of which they have founded human society. The actions which have brought about social cooperation and daily bring it about anew do not aim at anything else than cooperation and coadjuvancy with others for the attainment of definite singular ends. The total complex of the mutual relations created by such concerted actions is called society. It substitutes collaboration for the—at least conceivable—isolated life of individuals. Society is division of labor and combination of labor. In his capacity as an acting animal man becomes a social animal.

Individual man is born into a socially organized environment. In this sense alone we may accept the saying that society is—logically or historically—antecedent to the individual. In every other sense this dictum is either empty or nonsensical. The individual lives and acts within society. But society is nothing but the combination of individuals for cooperative effort. It exists nowhere else than in the actions of individual men. It is a delusion to search for it outside the actions of individuals. To speak of a society's autonomous and independent existence, of its life, its soul, and its actions is a metaphor which can easily lead to crass errors.

The questions whether society or the individual is to be considered as the ultimate end, and whether the interests of society should be subordinated to those of the individuals or the interests of the individuals to those of society are fruitless. Action is always action of individual men. The social or societal element is a certain orientation of the actions of individual men. The category *end* makes sense only when applied to action. Theology and the metaphysics of history may discuss the ends of society and the designs which God wants to realize with regard to society in the same way in which they discuss the purpose of all other parts of the created universe. For science,

which is inseparable from reason, a tool manifestly unfit for the treatment of such problems, it would be hopeless to embark upon speculations concerning these matters.

Within the frame of social cooperation there can emerge between members of society feelings of sympathy and friendship and a sense of belonging together. These feelings are the source of man's most delightful and most sublime experiences. They are the most precious adornment of life; they lift the animal species man to the heights of a really human existence. However, they are not, as some have asserted, the agents that have brought about social relationships. They are fruits of social cooperation, they thrive only within its frame; they did not precede the establishment of social relations and are not the seed from which they spring.

The fundamental facts that brought about cooperation, society, and civilization and transformed the animal man into a human being are the facts that work performed under the division of labor is more productive than isolated work and that man's reason is capable of recognizing this truth. But for these facts men would have forever remained deadly foes of one another, irreconcilable rivals in their endeavors to secure a portion of the scarce supply of means of sustenance provided by nature. Each man would have been forced to view all other men as his enemies; his craving for the satisfaction of his own appetites would have brought him into an implacable conflict with all his neighbors. No sympathy could possibly develop under such a state of affairs.

Some sociologists have asserted that the original and elementary subjective fact in society is a "consciousness of kind."<sup>1</sup> Others maintain that there would be no social systems if there were no "sense of community or of belonging together."<sup>2</sup> One may agree, provided that these somewhat vague and ambiguous terms are correctly interpreted. We may call consciousness of kind, sense of community, or sense of belonging together the acknowledgment of the fact that all other human beings are potential collaborators in the struggle for survival because they are capable of recognizing the mutual benefits of cooperation, while the animals lack this faculty. However, we must not forget that the primary facts that bring about such consciousness or such a sense are the two mentioned above. In a hypothetical world in which the division of labor would not increase productivity, there would not be any society. There would not be any sentiments of benevolence and good will.

1. F.H. Giddings, *The Principles of Sociology* (New York, 1926), p. 17.
2. F.M. MacIver, *Society* (New York, 1937), pp. 6-7.

Principle of the division of labor is one of the great basic principles of cosmic becoming and evolutionary change. The biologists were right in borrowing the concept of the division of labor from social philosophy and in adapting it to their field of investigation. There is division of labor between the various parts of any living organism. There are, furthermore, organic entities composed of collaborating animal individuals; it is customary to call metaphorically such aggregations of the ants and bees "animal societies." But one must never forget that the characteristic feature of human society is purposeful cooperation; society is an outcome of human action, i.e., of a conscious aiming at the attainment of ends. No such element is present, as far as we can ascertain, in the processes which have resulted in the emergence of the structure-function systems of plant and animal bodies and in the operation of the societies of ants, bees, and hornets. Human society is an intellectual and spiritual phenomenon. It is the outcome of a purposeful utilization of a universal law determining cosmic becoming, viz., the higher productivity of the division of labor. As with every instance of action, the recognition of the laws of nature is put into the service of man's efforts to improve his conditions.

## 2. A Critique of the Holistic and Metaphysical View of Society

According to the doctrines of universalism, conceptual realism, holism, collectivism, and some representatives of Gestaltpsychologie, society is an entity living its own life, independent of and separate from the lives of the various individuals, acting on its own behalf and aiming at its own ends which are different from the ends sought by the individuals. Then, of course, an antagonism between the aims of society and those of its members can emerge. In order to safeguard the flowering and further development of society it becomes necessary to master the selfishness of the individuals and to compel them to sacrifice their egoistic designs to the benefit of society. At this point all these holistic doctrines are bound to abandon the secular methods of human science and logical reasoning and to shift to theological or metaphysical professions of faith. They must assume that Providence, through its prophets, apostles, and charismatic leaders, forces men who are constitutionally wicked, i.e., prone to pursue their own ends, to walk in the ways of righteousness which the Lord or *Weltgeist* or history wants them to walk.

This is the philosophy which has characterized from time immemorial

the creeds of primitive tribes. It has been an element in all religious teachings. Man is bound to comply with the law issued by a superhuman power and to obey the authorities which this power has entrusted with the enforcement of the law. The order created by this law, human society, is consequently the work of the Deity and not of man. If the Lord had not interfered and had not given enlightenment to erring mankind, society would not have come into existence. It is true that social cooperation is a blessing for man; it is true that man could work his way up from barbarism and the moral and material distress of his primitive state only within the framework of society. However, if left alone he would never have seen the road to his own salvation. For adjustment to the requirements of social cooperation and subordination to the precepts of the moral law put heavy restraints upon him. From the point of view of his wretched intellect he would deem the abandonment of some expected advantage an evil and a privation. He would fail to recognize the incomparably greater, but later, advantages which renunciation of present and visible pleasures will procure. But for supernatural revelation he would never have learned what destiny wants him to do for his own good and that of his offspring.

The scientific theory as developed by the social philosophy of eighteenth-century rationalism and liberalism and by modern economics does not resort to any miraculous interference of superhuman powers. Every step by which an individual substitutes concerted action for isolated action results in an immediate and recognizable improvement in his conditions. The advantages derived from peaceful cooperation and division of labor are universal. They immediately benefit every generation, and not only later descendants. For what the individual must sacrifice for the sake of society he is amply compensated by greater advantages. His sacrifice is only apparent and temporary; he foregoes a smaller gain in order to reap a greater one later. No reasonable being can fail to see this obvious fact. When social cooperation is intensified by enlarging the field in which there is division of labor or when legal protection and the safeguarding of peace are strengthened, the incentive is the desire of all those concerned to improve their own conditions. In striving after his own—rightly understood—interests the individual works toward an intensification of social cooperation and peaceful intercourse. Society is a product of human action, i.e., the human urge to remove uneasiness as far as possible. In order to explain its becoming and its evolution it is not necessary to have recourse to a doctrine, certainly offensive to a truly religious mind, according to which the original creation

was so defective that reiterated superhuman intervention is needed to prevent its failure.

The historical role of the theory of the division of labor as elaborated by British political economy from Hume to Ricardo consisted in the complete demolition of all metaphysical doctrines concerning the origin and the operation of social cooperation. It consummated the spiritual, moral and intellectual emancipation of mankind inaugurated by the philosophy of Epicureanism. It substituted an autonomous rational morality for the heteronomous and intuitionist ethics of older days. Law and legality, the moral code and social institutions are no longer revered as unfathomable decrees of Heaven. They are of human origin, and the only yardstick that must be applied to them is that of expediency with regard to human welfare. The utilitarian economist does not say: *Fiat justitia, pereat mundus*. He says: *Fiat justitia, ne pereat mundus*. He does not ask a man to renounce his well-being for the benefit of society. He advises him to recognize what his rightly understood interests are. In his eyes God's magnificence does not manifest itself in busy interference with sundry affairs of princes and politicians, but in endowing his creatures with reason and the urge toward the pursuit of happiness.<sup>3</sup>

The essential problem of all varieties of universalistic, collectivistic, and holistic social philosophy is: By what mark do I recognize the true law, the authentic apostle of God's word, and the legitimate authority. For many claim that Providence has sent them, and each of these prophets preaches another gospel. For the faithful believer there cannot be any doubt; he is fully confident that he has espoused the only true doctrine. But it is precisely the firmness of such beliefs that renders the antagonisms irreconcilable. Each party is prepared to make its own tenets prevail. But as logical argumentation cannot decide between various dissenting creeds, there is no means left for the settlement of such disputes other than armed conflict. The

3. Many economists, among them Adam Smith and Bastiat, believed in God. Hence they admired in the facts they had discovered the providential care of "the great Director of Nature." Atheist critics blame them for this attitude. However, these critics fail to realize that to sneer at the references to the "invisible hand" does not invalidate the essential teachings of the rationalist and utilitarian social philosophy. One must comprehend that the alternative is this: Either association is a human process because it best serves the aims of the individuals concerned and the individuals themselves have the ability to realize the advantages they derive from their adjustment to life in social cooperation. Or a superior being enjoins upon reluctant men subordination to the law and to the social authorities. It is of minor importance whether one calls this supreme being God, Weltgeist, Destiny, History, Wotan, or Material Productive Forces and what title one assigns to its apostles, the dictators.

nonrationalist, nonutilitarian, and nonliberal social doctrines must beget wars and civil wars until one of the adversaries is annihilated or subdued. The history of the world's great religions is a record of battles and wars, as is the history of the present-day counterfeit religions, socialism, statolatry, and nationalism.

Intolerance and propaganda by the executioner's or the soldier's sword are inherent in any system of heteronomous ethics. The laws of God or Destiny claim universal validity, and to the authorities which they declare legitimate all men by rights owe obedience. As long as the prestige of heteronomous codes of morality and of their philosophical corollary, conceptual realism, was intact, there could not be any question of tolerance or of lasting peace. When fighting ceased, it was only to gather new strength for further battling. The idea of tolerance with regard to other people's dissenting views could take root only when the liberal doctrines had broken the spell of universalism. In the light of the utilitarian philosophy, society and state no longer appear as institutions for the maintenance of a world order that for considerations hidden to the human mind pleases the Deity although it manifestly hurts the secular interests of many or even of the immense majority of those living today. Society and state are on the contrary the primary means for all people to attain the ends they aim at of their own accord. They are created by human effort and their maintenance and most suitable organization are tasks not essentially different from all other concerns of human action. The supporters of a heteronomous morality and of the collectivistic doctrine cannot hope to demonstrate by ratiocination the correctness of their specific variety of ethical principles and the superiority and exclusive legitimacy of their particular social ideal. They are forced to ask people to accept credulously their ideological system and to surrender to the authority they consider the right one; they are intent upon silencing dissenters or upon beating them into submission.

Of course, there will always be individuals and groups of individuals whose intellect is so narrow that they cannot grasp the benefits which social cooperation brings them. There are others whose moral strength and will power are so weak that they cannot resist the temptation to strive for an ephemeral advantage by actions detrimental to the smooth functioning of the social system. For the adjustment of the individual to the requirements of social cooperation demands sacrifices. These are, it is true, only temporary and apparent sacrifices as they are more than compensated for by the incomparably greater advantages which living within society provides. However, at the instant, in the very act of renouncing an expected enjoyment,

they are painful, and it is not for everybody to realize their later benefits and to behave accordingly. Anarchism believes that education could make all people comprehend what their own interests require them to do; rightly instructed they would of their own accord always comply with the rules of conduct indispensable for the preservation of society. The anarchists contend that a social order in which nobody enjoys privileges at the expense of his fellow-citizens could exist without any compulsion and coercion for the prevention of action detrimental to society. Such an ideal society could do without state and government, i.e., without a police force, the social apparatus of coercion and compulsion.

The anarchists overlook the undeniable fact that some people are either too narrow-minded or too weak to adjust themselves spontaneously to the conditions of social life. Even if we admit that every sane adult is endowed with the faculty of realizing the good of social cooperation and of acting accordingly, there still remains the problem of the infants, the aged, and the insane. We may agree that he who acts antisocially should be considered mentally sick and in need of care. But as long as not all are cured, and as long as there are infants and the senile, some provision must be taken lest they jeopardize society. An anarchistic society would be exposed to the mercy of every individual. Society cannot exist if the majority is not ready to hinder, by the application or threat of violent action, minorities from destroying the social order. This power is vested in the state or government.

State or government is the social apparatus of compulsion and coercion. It has the monopoly of violent action. No individual is free to use violence or the threat of violence if the government has not accorded this right to him. The state is essentially an institution for the preservation of peaceful inter-human relations. However, for the preservation of peace it must be prepared to crush the onslaughts of peace-breakers.

Liberal social doctrine, based on the teachings of utilitarian ethics and economics, sees the problem of the relation between the government and those ruled from a different angle than universalism and collectivism. Liberalism realizes that the rulers, who are always a minority, cannot lastingly remain in office if not supported by the consent of the majority of those ruled. Whatever the system of government may be, the foundation upon which it is built and rests is always the opinion of those ruled that to obey and to be loyal to this government better serves their own interests than insurrection and the establishment of another regime. The majority has the power to do away with an unpopular government and uses this power

whenever it becomes convinced that its own welfare requires it. Civil war and revolution are the means by which the discontented majorities overthrow rulers and methods of government which do not suit them. For the sake of domestic peace liberalism aims at democratic government. Democracy is therefore not a revolutionary institution. On the contrary, it is the very means of preventing revolutions and civil wars. It provides a method for the peaceful adjustment of government to the will of the majority. When the men in office and their policies no longer please the majority of the nation, they will—in the next election—be eliminated and replaced by other men espousing different policies.

The principle of majority rule or government by the people as recommended by liberalism does not aim at the supremacy of the mean, of the lowbred, of the domestic barbarians. The liberals too believe that a nation should be ruled by those best fitted for this task. But they believe that a man's ability to rule proves itself better by convincing his fellow-citizens than by using force upon them. There is, of course, no guarantee that the voters will entrust office to the most competent candidate. But no other system could offer such a guarantee. If the majority of the nation is committed to unsound principles and prefers unworthy office-seekers, there is no remedy other than to try to change their mind by expounding more reasonable principles and recommending better men. A minority will never win lasting success by other means.

Universalism and collectivism cannot accept this democratic solution of the problem of government. In their opinion the individual in complying with the ethical code does not directly further his earthly concerns but, on the contrary, foregoes the attainment of his own ends for the benefit of the designs of the Deity or of the collective whole. Moreover reason alone is not capable of conceiving the supremacy of the absolute values and the unconditional validity of the sacred law and of interpreting correctly the canons and commandments. Hence it is in their eyes a hopeless task to try to convince the majority through persuasion and to lead them to righteousness by amicable admonition. Those blessed by heavenly inspiration, to whom their *charisma* has conveyed illumination, have the duty to propagate the gospel to the docile and to resort to violence against the intractable. The charismatic leader is the Deity's vicar, the mandatory of the collective whole, the tool of history. He is infallible and always right. His orders are the supreme norm.

Universalism and collectivism are by necessity systems of theocratic

government. The common characteristic of all their varieties is that they postulate the existence of a superhuman entity which the individuals are bound to obey. What differentiates them from one another is only the appellation they give to this entity and the content of the laws they proclaim in its name. The dictatorial rule of a minority cannot find any legitimation other than the appeal to an alleged mandate obtained from a superhuman absolute authority. It does not matter whether the autocrat bases his claims on the divine rights of anointed kings or on the historical mission of the vanguard of the proletariat or whether the supreme being is called *Geist* (Hegel) or *Humanite* (Auguste Comte). The terms society and state as they are used by the contemporary advocates of socialism, planning, and social control of all the activities of individuals signify a deity. The priests of this new creed ascribe to their idol all those attributes which the theologians ascribe to God—omnipotence, omniscience, infinite goodness, and so on.

If one assumes that there exists above and beyond the individual's actions an imperishable entity aiming at its own ends, different from those of mortal men, one has already constructed the concept of a superhuman being. Then one cannot evade the question whose ends take precedence whenever an antagonism arises, those of the state or society or those of the individual. The answer to this question is already implied in the very concept of state or society as conceived by collectivism and universalism. If one postulates the existence of an entity which ex definitione is higher, nobler, and better than the individuals, then there cannot be any doubt that the aims of this eminent being must tower above those of the wretched individuals. (It is true that some lovers of paradox—for instance, Max Stirner<sup>4</sup>—took pleasure in turning the matter upside down and for all that asserted the precedence of the individual.) If society or state is an entity endowed with volition and intention and all the other qualities attributed to it by the collectivist doctrine, then it is simply nonsensical to set the shabby individual's trivial aims against its lofty designs.

The quasi-theological character of all collectivist doctrines becomes manifest in their mutual conflicts. A collectivist doctrine does not assert the superiority of a collective whole in abstracto; it always proclaims the eminence of a definite collectivist idol, and either flatly denies the existence of other such idols or relegates them to a subordinate and ancillary position

4. Cf. Max Stirner (Johan Kaspar Schmidt). *The Ego and His Own*, trans. by S.T. Byington (New York, 1907).

with regard to its own idol. The worshipers of the state proclaim the excellence of a definite state, i.e., their own; the nationalists, the excellence of their own nation. If dissenters challenge their particular program by heralding the superiority of another collectivist idol, they resort to no objection other than to declare again and again: We are right because an inner voice tells us that we are right and you are wrong. The conflicts of antagonistic collectivist creeds and sects cannot be decided by ratiocination; they must be decided by arms. The alternatives to the liberal and democratic principle of majority rule are the militarist principles of armed conflict and dictatorial oppression.

All varieties of collectivist creeds are united in their implacable hostility to the fundamental political institutions of the liberal system: majority rule, tolerance of dissenting views, freedom of thought, speech, and the press, equality of all men under the law. This collaboration of collectivist creeds in their attempts to destroy freedom has brought about the mistaken belief that the issue in present-day political antagonisms is individualism versus collectivism. In fact it is a struggle between individualism on the one hand and a multitude of collectivist sects on the other hand whose mutual hatred and hostility is no less ferocious than their abomination of the liberal system. It is not a uniform Marxian sect that attacks capitalism, but a host of Marxian groups. These groups—for instance, Stalinists, Trotskyists, Mensheviks, supporters of the Second International, and so on—fight one another with the utmost brutality and inhumanity. And then there are again many other nonMarxian sects which apply the same atrocious methods in their mutual struggles. A substitution of collectivism for liberalism would result in endless bloody fighting.

The customary terminology misrepresents these things entirely. The philosophy commonly called individualism is a philosophy of social cooperation and the progressive intensification of the social nexus. On the other hand the application of the basic ideas of collectivism cannot result in anything but social disintegration and the perpetuation of armed conflict. It is true that every variety of collectivism promises eternal peace starting with the day of its own decisive victory and the final overthrow and extermination of all other ideologies and their supporters. However, the realization of these plans is conditioned upon a radical transformation in mankind. Men must be divided into two classes: the omnipotent godlike dictator on the one hand and the masses which must surrender volition and reasoning in order to become mere chessmen in the plans of the dictator. The masses must be dehumanized in order to make

one man their godlike master. Thinking and acting, the foremost characteristics of man as man, would become the privilege of *one* man only. There is no need to point out that such designs are unrealizable. The chiliastic empires of dictators are doomed to failure; they have never lasted longer than a few years. We have just witnessed the breakdown of several of such “millennial” orders. Those remaining will hardly fare better.

The modern revival of the idea of collectivism, the main cause of all the agonies and disasters of our day, has succeeded so thoroughly that it has brought into oblivion the essential ideas of liberal social philosophy. Today even many of those favoring democratic institutions ignore these ideas. The arguments they bring forward for the justification of freedom and democracy are tainted with collectivist errors; their doctrines are rather a distortion than an endorsement of true liberalism. In their eyes majorities are always right simply because they have the power to crush any opposition; majority rule is the dictatorial rule of the most numerous party, and the ruling majority is not bound to restrain itself in the exercise of its power and in the conduct of political affairs. As soon as a faction has succeeded in winning the support of the majority of citizens and thereby attained control of the government machine, it is free to deny to the minority all those democratic rights by means of which it itself has previously carried on its own struggle for supremacy.

This pseudo-liberalism is, of course, the very antithesis of the liberal doctrine. The liberals do not maintain that majorities are godlike and infallible; they do not contend that the mere fact that a policy is advocated by the many is a proof of its merits for the common weal. They do not recommend the dictatorship of the majority and the violent oppression of dissenting minorities. Liberalism aims at a political constitution which safeguards the smooth working of social cooperation and the progressive intensification of mutual social relations. Its main objective is the avoidance of violent conflicts, of wars and revolutions that must disintegrate the social collaboration of men and throw people back into the primitive conditions of barbarism where all tribes and political bodies endlessly fought one another. Because the division of labor requires undisturbed peace, liberalism aims at the establishment of a system of government that is likely to preserve peace, viz., democracy.

#### *Praxeology and Liberalism*

Liberalism, in its 19th century sense, is a political doctrine. It is not a theory, but an application of the theories developed by praxeology and

especially by economics to definite problems of human action within society.

As a political doctrine liberalism is not neutral with regard to values and the ultimate ends sought by action. It assumes that all men or at least the majority of people are intent upon attaining certain goals. It gives them information about the means suitable to the realization of their plans. The champions of liberal doctrines are fully aware of the fact that their teachings are valid only for people who are committed to these valuational principles.

While praxeology, and therefore economics too, uses the terms happiness and removal of uneasiness in a purely formal sense, liberalism attaches to them a concrete meaning. It presupposes that people prefer life to death, health to sickness, nourishment to starvation, abundance to poverty. It teaches man how to act in accordance with these valuations.

It is customary to call these concerns materialistic and to charge liberalism with an alleged crude materialism and a neglect of the "higher" and "nobler" pursuits of mankind. Man does not live by bread alone, say the critics, and they disparage the meanness and despicable baseness of the utilitarian philosophy. However, these passionate diatribes are wrong because they badly distort the teachings of liberalism.

First: The liberals do not assert that men ought to strive after the goals mentioned above. What they maintain is that the immense majority prefer a life of health and abundance to misery, starvation, and death. The correctness of this statement cannot be challenged. It is proved by the fact that all antiliberal doctrines—the theocratic tenets of the various religious, statist, nationalist, and socialist parties—adopt the same attitude with regard to these issues. They all promise their followers a life of plenty. They have never ventured to tell people that the realization of their program will impair their material well-being. They insist—on the contrary—that while the realization of the plans of their rival parties will result in indigence for the majority, they themselves want to provide their supporters with abundance. The Christian parties are no less eager in promising the masses a higher standard of living than the nationalists and the socialists. Present-day churches often speak more about raising wage rates and farm incomes than about the dogmas of the Christian doctrine.

Secondly: The liberals do not disdain the intellectual and spiritual aspirations of man. On the contrary. They are prompted by a passionate ardor for intellectual and moral perfection, for wisdom and for aesthetic excellence. But their view of these high and noble things is far from the crude representations of their adversaries. They do not share the naive opinion that any system of social organization can directly succeed in encouraging philosophical or scientific thinking, in producing masterpieces of art and

literature and in rendering the masses more enlightened. They realize that all that society can achieve in these fields is to provide an environment which does not put insurmountable obstacles in the way of the genius and makes the common man free enough from material concerns to become interested in things other than mere breadwinning. In their opinion the foremost social means of making man more human is to fight poverty. Wisdom and science and the arts thrive better in a world of affluence than among needy peoples.

It is a distortion of facts to blame the age of liberalism for an alleged materialism. The nineteenth century was not only a century of unprecedented improvement in technical methods of production and in the material well-being of the masses. It did much more than extend the average length of human life. Its scientific and artistic accomplishments are imperishable. It was an age of immortal musicians, writers, poets, painters, and sculptors; it revolutionized philosophy, economics, mathematics, physics, chemistry, and biology. And, for the first time in history, it made the great works and the great thoughts accessible to the common man.

#### *Liberalism and Religion*

Liberalism is based upon a purely rational and scientific theory of social cooperation. The policies it recommends are the application of a system of knowledge which does not refer in any way to sentiments, intuitive creeds for which no logically sufficient proof can be provided, mystical experiences, and the personal awareness of superhuman phenomena. In this sense the often misunderstood and erroneously interpreted epithets atheistic and agnostic can be attributed to it. It would, however, be a serious mistake to conclude that the sciences of human action and the policy derived from their teachings, liberalism, are antitheistic and hostile to religion. They are radically opposed to all systems of theocracy. But they are entirely neutral with regard to religious beliefs which do not pretend to interfere with the conduct of social, political, and economic affairs.

Theocracy is a social system which lays claim to a superhuman title for its legitimation. The fundamental law of a theocratic regime is an insight not open to examination by reason and to demonstration by logical methods. Its ultimate standard is intuition providing the mind with subjective certainty about things which cannot be conceived by reason and ratiocination. If this intuition refers to one of the traditional systems of teaching concerning the existence of a Divine Creator and Ruler of the universe, we call it a religious belief. If it refers to another system we call it a metaphysical belief. Thus a system of theocratic government need not be founded on one of the great historical religions of the world. It may be the outcome of metaphysical

tenets which reject all traditional churches and denominations and take pride in emphasizing their antitheistic and antimetaphysical character. In our time the most powerful theocratic parties are opposed to Christianity and to all other religions which evolved from Jewish monotheism. What characterizes them as theocratic is their craving to organize the earthly affairs of mankind according to the contents of a complex of ideas whose validity cannot be demonstrated by reasoning. They pretend that their leaders are blessed by a knowledge inaccessible to the rest of mankind and contrary to the ideas maintained by those to whom the charisma is denied. The charismatic leaders have been entrusted by a mystical higher power with the office of managing the affairs of erring mankind. They alone are enlightened; all other people are either blind and deaf or malefactors.

It is a fact that many varieties of the great historical religions were affected by theocratic tendencies. Their apostles were inspired by a craving for power and the oppression and annihilation of all dissenting groups. However, we must not confuse the two things, religion and theocracy.

William James calls religious “the feelings, acts and experiences of individual men in their solitude, so far as they apprehend themselves to stand in relation to whatever they may consider the divine.”<sup>5</sup> He enumerates the following beliefs as the characteristics of the religious life: That the visible world is part of a more spiritual universe from which it draws its chief significance; that union or harmonious relation with that higher universe is our true end; that prayer or inner communion with the spirit thereof--be that spirit “God” or “law”—is a process wherein work is really done, and spiritual energy flows in and produces effects, psychological or material, within the phenomenal world. Religion, James goes on to say, also includes the following psychological characteristics: A zest which *adds* itself like a gift to life, and takes the form either of lyrical enchantment or of appeal to earnestness and heroism, and furthermore an assurance of safety and a temper of peace, and, in relation to others, a preponderance of loving affection.<sup>6</sup>

This characterization of mankind’s religious experience and feelings does not make any reference to the arrangement of social cooperation. Religion, as James sees it, is a purely personal and individual relation between man and a holy, mysterious, and awe-inspiring divine Reality. It enjoins upon man a certain mode of individual conduct. But it does not assert anything with regard to the problems of social organization. St.

5. W. James, *The Varieties of Religious Experience* (35th impression, New York, 1925), p. 31.

6. *Ibid.*, pp. 485-486.

Francis d'Assisi, the greatest religious genius of the West, did not concern himself with politics and economics. He wanted to teach his disciples how to live piously; he did not draft a plan for the organization of production and did not urge his followers to resort to violence against dissenters. He is not responsible for the interpretation of his teachings by the order he founded.

Liberalism puts no obstacles in the way of a man eager to adjust his personal conduct and his private affairs according to the mode in which he individually or his church or denomination interprets the teachings of the Gospels. But it is radically opposed to all endeavors to silence the rational discussion of problems of social welfare by an appeal to religious intuition and revelation. It does not enjoin divorce or the practice of birth control upon anybody. But it fights those who want to prevent other people from freely discussing the pros and cons of these matters.

In the liberal opinion the aim of the moral law is to impel individuals to adjust their conduct to the requirements of life in society, to abstain from all acts detrimental to the preservation of peaceful social cooperation and to the improvement of interhuman relations. Liberals welcome the support which religious teachings may give to those moral precepts of which they themselves approve, but they are opposed to all those norms which are bound to bring about social disintegration from whatever source they may stem.

It is a distortion of fact to say, as many champions of religious theocracy do, that liberalism fights religion. Where the principle of church interference with secular issues is in force, the various churches, denominations and sects are fighting one another. By separating church and state, liberalism establishes peace between the various religious factions and gives to each of them the opportunity to preach its gospel unmolested.

Liberalism is rationalistic. It maintains that it is possible to convince the immense majority that peaceful cooperation within the framework of society better serves their rightly understood interests than mutual battling and social disintegration. It has full confidence in man's reason. It may be that this optimism is unfounded and that the liberals have erred. But then there is no hope left for mankind's future.

### 3. The Division of Labor

The fundamental social phenomenon is the division of labor and its counterpart human cooperation.

Experience teaches man that cooperative action is more efficient and productive than isolated action of self-sufficient individuals. The natural conditions determining man's life and effort are such that the division of

labor increases output per unit of labor expended. These natural facts are:

First: the innate inequality of men with regard to their ability to perform various kinds of labor. Second: the unequal distribution of the nature-given, nonhuman opportunities of production on the surface of the earth. One may as well consider these two facts as one and the same fact, namely, the manifoldness of nature which makes the universe a complex of infinite varieties. If the earth's surface were such that the physical conditions of production were the same at every point and if one man were as equal to all other men as is a circle to another with the same diameter in Euclidian geometry, men would not have embarked upon the division of labor.

There is still a third fact, viz., that there are undertakings whose accomplishment exceeds the forces of a single man and requires the joint effort of several. Some of them require an expenditure of labor which no single man can perform because his capacity to work is not great enough. Others again could be accomplished by individuals; but the time which they would have to devote to the work would be so long that the result would only be attained late and would not compensate for the labor expended. In both cases only joint effort makes it possible to attain the end sought.

If only this third condition were present, temporary cooperation between men would have certainly emerged. However, such transient alliances to cope with specific tasks which are beyond the strength of an individual would not have brought about lasting social cooperation. Undertakings which could be performed only in this way were not very numerous at the early stages of civilization. Moreover, all those concerned may not often agree that the performance in question is more useful and urgent than the accomplishment of other tasks which they could perform alone. The great human society enclosing all men in all of their activities did not originate from such occasional alliances. Society is much more than a passing alliance concluded for a definite purpose and ceasing as soon as its objective is realized, even if the partners are ready to renew it should an occasion present itself.

The increase in productivity brought about by the division of labor is obvious whenever the inequality of the participants is such that every individual or every piece of land is superior at least in one regard to the other individuals or pieces of land concerned. If *A* is fit to produce in 1 unit of time  $6p$  or  $4q$ , and *B* only  $2p$ , but  $8q$ , they both, when working in isolation, will produce together  $4p + 6q$ ; when working under the division of labor, each of them producing only that commodity in whose

production he is more efficient than his partner, they will produce  $6p + 8q$ . But what will happen, if  $A$  is more efficient than  $B$  not only in the production of  $p$  but also in the production of  $q$ ?

This is the problem which Ricardo raised and solved immediately.

#### 4. The Ricardian Law of Association

Ricardo expounded the law of association in order to demonstrate what the consequences of the division of labor are when an individual or a group, more efficient in every regard, cooperates with an individual or a group less efficient in every regard. He investigated the effects of trade between two areas, unequally endowed by nature, under the assumption that the products, but not the workers and the accumulated factors of future production (capital goods), can freely move from each area into the other. The division of labor between two such areas will, as Ricardo's law shows, increase the productivity of labor and is therefore advantageous to all concerned, even if the physical conditions of production for any commodity are more favorable in one of these two areas than in the other. It is advantageous for the better endowed area to concentrate its efforts upon the production of those commodities for which its superiority is greater, and to leave to the less endowed area the production of other goods in which its own superiority is less. The paradox that it is more advantageous to leave more favorable domestic conditions of production unused and to procure the commodities they could produce from areas in which conditions for their production are less favorable, is the outcome of the immobility of labor and capital, to which the more favorable places of production are inaccessible.

Ricardo was fully aware of the fact that his law of comparative cost, which he expounded mainly in order to deal with a special problem of international trade, is a particular instance of the more universal law of association.

If  $A$  is in such a way more efficient than  $B$  that he needs for the production of 1 unit of the commodity  $p$  3 hours compared with  $B$ 's 5, and for the production of 1 unit of  $q$  2 hours compared with  $B$ 's 4, then both will gain if  $A$  confines himself to producing  $q$  and leaves  $B$  to produce  $p$ . If each of them gives 60 hours to producing  $p$  and 60 hours to producing  $q$ , the result of  $A$ 's labor is  $20p + 30q$ ; of  $B$ 's,  $12p + 15q$ ; and for both together,  $32p + 45q$ . If, however,  $A$  confines himself to producing  $q$  alone, he produces 60  $q$  in 120 hours, while  $B$ , if he confines himself to producing  $p$ , produces in the same time 24  $p$ . The result of their activities is then  $24p + 60q$ , which,

as  $p$  has for  $A$  a substitution ratio of  $\frac{3}{2}q$  and for  $B$  one of  $\frac{5}{4}q$ , signifies a larger output than  $32p + 45q$ . Therefore it is manifest that the division of labor brings advantages to all who take part in it. Collaboration of the more talented, more able, and more industrious with the less talented, less able, and less industrious results in benefit for both. The gains derived from the division of labor are always mutual.

The law of association makes us comprehend the tendencies which resulted in the progressive intensification of human cooperation. We conceive what incentive induced people not to consider themselves simply as rivals in a struggle for the appropriation of the limited supply of means of subsistence made available by nature. We realize what has impelled them and permanently impels them to consort with one another for the sake of cooperation. Every step forward on the way to a more developed mode of the division of labor serves the interests of all participants. In order to comprehend why man did not remain solitary, searching like the animals for food and shelter for himself only and at most also for his consort and his helpless infants, we do not need to have recourse to a miraculous interference of the Deity or to the empty hypostasis of an innate urge toward association. Neither are we forced to assume that the isolated individuals or primitive hordes one day pledged themselves by a contract to establish social bonds. The factor that brought about primitive society and daily works toward its progressive intensification is human action that is animated by the insight into the higher productivity of labor achieved under the division of labor.

Neither history nor ethnology nor any other branch of knowledge can provide a description of the evolution which has led from the packs and flocks of mankind's nonhuman ancestors to the primitive, yet already highly differentiated, societal groups about which information is provided in excavations, in the most ancient documents of history, and in the reports of explorers and travelers who have met savage tribes. The task with which science is faced in respect of the origins of society can only consist in the demonstration of those factors which can and must result in association and its progressive intensification. Praxeology solves the problem. If and as far as labor under the division of labor is more productive than isolated labor, and if and as far as man is able to realize this fact, human action itself tends toward cooperation and association; man becomes a social being not in sacrificing his own concerns for the sake of a mythical Moloch, society, but in aiming at an improvement in his own welfare. Experience teaches that

this condition—higher productivity achieved under the division of labor—is present because its cause—the inborn inequality of men and the inequality in the geographical distribution of the natural factors of production—is real. Thus we are in a position to comprehend the course of social evolution.

*Current Errors Concerning the Law of Association*

People cavil much about Ricardo's law of association, better known under the name *law of comparative cost*. The reason is obvious. This law is an offense to all those eager to justify protection and national economic isolation from any point of view other than the selfish interests of some producers or the issues of war-preparedness.

Ricardo's first aim in expounding this law was to refute an objection raised against freedom of international trade. The protectionist asks: What under free trade will be the fate of a country in which the conditions for any kind of production are less favorable than in all other countries? Now, in a world in which there is free mobility not only for products, but no less for capital goods and for labor, a country so little suited for production would cease to be used as the seat of any human industry. If people fare better without exploiting the—comparatively unsatisfactory—physical conditions of production offered by this country, they will not settle here and will leave it as uninhabited as the polar regions, the tundras and the deserts. But Ricardo deals with a world whose conditions are determined by settlement in earlier days, a world in which capital goods and labor are bound to the soil by definite institutions. In such a milieu free trade, i.e., the free mobility of commodities only, cannot bring about a state of affairs in which capital and labor are distributed on the surface of the earth according to the better or poorer physical opportunities afforded to the productivity of labor. Here the law of comparative cost comes into operation. Each country turns toward those branches of production for which its conditions offer comparatively, although not absolutely, the most favorable opportunities. For the inhabitants of a country it is more advantageous to abstain from the exploitation of some opportunities which—absolutely and technologically—are more propitious and to import commodities produced abroad under conditions which—absolutely and technologically—are less favorable than the unused domestic resources. The case is analogous to that of a surgeon who finds it convenient to employ for the cleaning of the operating-room and the instruments a man whom he excels in this performance also and to devote himself exclusively to surgery, in which his superiority is higher.

The theorem of comparative cost is in no way connected with the value theory of classical economics. It does not deal with value or with prices. It is an analytic judgment; the conclusion is implied in the two propositions

that the technically movable factors of production differ with regard to their productivity in various places and are institutionally restricted in their mobility. The theorem, without prejudice to the correctness of its conclusions, can disregard problems of valuation because it is free to resort to a set of simple assumptions. These are: that only two products are to be produced; that these products are freely movable; that for the production of each of them two factors are required; that one of these factors (it may be either labor or capital goods) is identical in the production of both, while the other factor (a specific property of the soil) is different for each of the two processes; that the greater scarcity of the factor common to both processes determines the extent of the exploitation of the different factor. In the frame of these assumptions, which make it possible to establish substitution ratios between the expenditure of the common factor and the output, the theorem answers the question raised.

The law of comparative cost is as independent of the classical theory of value as is the law of returns, which its reasoning resembles. In both cases we can content ourselves with comparing only physical input and physical output. With the law of returns we compare the output of the same product. With the law of comparative costs we compare the output of two different products. Such a comparison is feasible because we assume that for the production of each of them, apart from one specific factor, only nonspecific factors of the same kind are required.

Some critics blame the law of comparative cost for this simplification of assumptions. They believe that the modern theory of value would require a reformulation of the law in conformity with the principles of subjective value. Only such a formulation could provide a satisfactory conclusive demonstration. However, they do not want to calculate in terms of money. They prefer to resort to those methods of utility analysis which they consider a means for making value calculations in terms of utility. It will be shown in the further progress of our investigation that these attempts to eliminate monetary terms from economic calculation are delusive. Their fundamental assumptions are untenable and contradictory and all formulas derived from them are vicious. No method of economic calculation is possible other than one based on money prices as determined by the market.<sup>7</sup>

The meaning of the simple assumptions underlying the law of comparative cost is not precisely the same for the modern economists as it was for the classical economists. Some adherents of the classical school considered them as the starting point of a theory of value in international trade. We know now that they were mistaken in this belief. Besides, we realize that with regard to the determination of value and of prices there

7. See below, pp. 201-209.

is no difference between domestic and foreign trade. What makes people distinguish between the home market and markets abroad is only a difference in the data, i.e., varying institutional conditions restricting the mobility of factors of production and of products.

If we do not want to deal with the law of comparative cost under the simplified assumptions applied by Ricardo, we must openly employ money calculation. We must not fall prey to the illusion that a comparison between the expenditure of factors of production of various kinds and of the output of products of various kinds can be achieved without the aid of money calculation. If we consider the case of the surgeon and his handyman we must say: If the surgeon can employ his limited working time for the performance of operations for which he is compensated at \$50 per hour, it is to his interest to employ a handyman to keep his instruments in good order and to pay him \$2 per hour, although this man needs 3 hours to accomplish what the surgeon could do in 1 hour. In comparing the conditions of two countries we must say: If conditions are such that in England the production of 1 unit of each of the two commodities *a* and *b* requires the expenditure of 1 working day of the same kind of labor, while in India with the same investment of capital for *a* 2 days and for *b* 3 days are required, and if capital goods and *a* and *b* are freely movable from England to India and vice versa, while there is no mobility of labor, wage rates in India in the production of *a* must tend to be 50 percent, and in the production of *b*  $33\frac{1}{3}$  per cent, of the English rates. If the English rate is 6 shillings, the rates in India would be the equivalent of 3 shillings in the production of *a* and the equivalent of 2 shillings in the production of *b*. Such a discrepancy in the remuneration of labor of the same kind cannot last if there is mobility of labor on the domestic Indian labor market. Workers would shift from the production of *b* into the production of *a*; their migration would tend to lower the remuneration in the *a* industry and to raise it in the *b* industry. Finally Indian wage rates would be equal in both industries. The production of *a* would tend to expand and to supplant English competition. On the other hand the production of *b* would become unprofitable in India and would have to be discontinued, while it would expand in England. The same reasoning is valid if we assume that the difference in the conditions of production consists also or exclusively in the amount of capital investment needed.

It has been asserted that Ricardo's law was valid only for his age and is of no avail for our time which offers other conditions. Ricardo saw the difference between domestic trade and foreign trade in differences in the mobility of capital and labor. If one assumes that capital, labor, and products are movable, then there exists a difference between regional and interregional trade only as far as the cost of transportation comes into play. Then

it is superfluous to develop a theory of international trade as distinguished from national trade. Capital and labor are distributed on the earth's surface according to the better or poorer conditions which the various regions offer to production. There are areas more densely populated and better equipped with capital, there are others less densely populated and poorer in capital supply. There prevails on the whole earth a tendency toward an equalization of wage rates for the same kind of labor.

Ricardo, however, starts from the assumption that there is mobility of capital and labor only within each country, and not between the various countries. He raises the question what the consequences of the free mobility of products must be under such conditions. (If there is no mobility of products either, then every country is economically isolated and autarkic, and there is no international trade at all.) The theory of comparative cost answers this question. Now, Ricardo's assumptions by and large held good for his age. Later, in the course of the nineteenth century, conditions changed. The immobility of capital and labor gave way; international transfer of capital and labor became more and more common. Then came a reaction. Today capital and labor are again restricted in their mobility. Reality again corresponds to the Ricardian assumptions.

However, the teachings of the classical theory of interregional trade are above any change in institutional conditions. They enable us to study the problems involved under any imaginable assumptions.

### 5. The Effects of the Division of Labor

The division of labor is the outcome of man's conscious reaction to the multiplicity of natural conditions. On the other hand it is itself a factor bringing about differentiation. It assigns to the various geographic areas specific functions in the complex of the processes of production. It makes some areas urban, others rural; it locates the various branches of manufacturing, mining, and agriculture in different places. Still more important, however, is the fact that it intensifies the innate inequality of men. Exercise and practice of specific tasks adjust individuals better to the requirements of their performance; men develop some of their inborn faculties and stunt the development of others. Vocational types emerge, people become specialists.

The division of labor splits the various processes of production into minute tasks, many of which can be performed by mechanical devices. It is this fact that made the use of machinery possible and brought about the amazing improvements in technical methods of production. Mechanization is the fruit of the division of labor, its most beneficial achievement, not its motive and fountain spring. Power-driven specialized machinery could be

employed only in a social environment under the division of labor. Every step forward on the road toward the use of more specialized, more refined, and more productive machines requires a further specialization of tasks.

## 6. The Individual Within Society

If praxeology speaks of the solitary individual, acting on his own behalf only and independent of fellow men, it does so for the sake of a better comprehension of the problems of social cooperation. We do not assert that such isolated autarkic human beings have ever lived and that the social stage of man's nonhuman ancestors and the emergence of the primitive social bonds were effected in the same process. Man appeared on the scene of earthly events as a social being. The isolated asocial man is a fictitious construction.

Seen from the point of view of the individual, society is the great means for the attainment of all his ends. The preservation of society is an essential condition of any plans an individual may want to realize by any action whatever. Even the refractory delinquent who fails to adjust his conduct to the requirements of life within the societal system of cooperation does not want to miss any of the advantages derived from the division of labor. He does not consciously aim at the destruction of society. He wants to lay his hands on a greater portion of the jointly produced wealth than the social order assigns to him. He would feel miserable if antisocial behavior were to become universal and its inevitable outcome, the return to primitive indigence, resulted.

It is illusory to maintain that individuals in renouncing the alleged blessings of a fabulous state of nature and entering into society have foregone some advantages and have a fair claim to be indemnified for what they have lost. The idea that anybody would have fared better under an asocial state of mankind and is wronged by the very existence of society is absurd. Thanks to the higher productivity of social cooperation the human species has multiplied far beyond the margin of subsistence offered by the conditions prevailing in ages with a rudimentary degree of the division of labor. Each man enjoys a standard of living much higher than that of his savage ancestors. The natural condition of man is extreme poverty and insecurity. It is romantic nonsense to lament the passing of the happy days of primitive barbarism. In a state of savagery the complainants would either not have reached the age of manhood, or if they had, they would have lacked the opportunities and amenities provided by civilization. Jean Jacques Rousseau and Frederick Engels, if they had lived in the primitive state which

they describe with nostalgic yearning, would not have enjoyed the leisure required for their studies and for the writing of their books.

One of the privileges which society affords to the individual is the privilege of living in spite of sickness or physical disability. Sick animals are doomed. Their weakness handicaps them in their attempts to find food and to repel aggression on the part of other animals. Deaf, nearsighted, or crippled savages must perish. But such defects do not deprive a man of the opportunity to adjust himself to life in society. The majority of our contemporaries are afflicted with some bodily deficiencies which biology considers pathological. Our civilization is to a great extent the achievement of such men. The eliminative forces of natural selection are greatly reduced under social conditions. Hence some people say that civilization tends to deteriorate the hereditary qualities of the members of society.

Such judgments are reasonable if one looks at mankind with the eyes of a breeder intent upon raising a race of men equipped with certain qualities. But society is not a stud-farm operated for the production of a definite type of men. There is no "natural" standard to establish what is desirable and what is undesirable in the biological evolution of man. Any standard chosen is arbitrary, purely subjective, in short a judgment of value. The terms racial improvement and racial degeneration are meaningless when not based on definite plans for the future of mankind.

It is true, civilized man is adjusted to life in society and not to that of a hunter in virgin forests.

#### *The Fable of the Mystic Communion*

The praxeological theory of society is assailed by the fable of the mystic communion.

Society, assert the supporters of this doctrine, is not the product of man's purposeful action; it is not cooperation and division of tasks. It stems from unfathomable depths, from an urge ingrained in man's essential nature. It is, says one group, engrossment by the Spirit which is Divine Reality and participation, by virtue of a *unio mystica*, in God's power and love. Another group sees society as a biological phenomenon; it is the work of the voice of the blood, the bond uniting the offspring of common ancestors with these ancestors and with one another, and the mystical harmony between the ploughman and the soil he tills.

That such psychical phenomena are really felt is true. There are people who experience the *unio mystica* and place this experience above everything else, and there are men who are convinced that they hear the voice of the blood and

smell with heart and soul the unique scent of the cherished soil of their country. The mystical experience and the ecstatic rapture are facts which psychology must consider real, like any other psychical phenomenon. The error of the communion-doctrines does not consist in their assertion that such phenomena really occur, but in the belief that they are primary facts not dependent on any rational consideration.

The voice of the blood which brings the father close to his child was not heard by those savages who did not know the causal relation between cohabitation and pregnancy. Today, as this relation is known to everybody, a man who has full confidence in his wife's fidelity, the voice of the blood is of no use. Nobody ever ventured to assert that doubts concerning paternity could be resolved by the voice of the blood. A mother who has kept watch over her child since its birth can hear the voice of the blood. If she loses touch with the infant at an early date, she may later identify it by some bodily marks, for instance those moles and scars which once were popular with novel writers. But the blood is mute if such observations and the conclusions derived from them do not make it speak. The voice of the blood, contend the German racists, mysteriously unifies all members of the German people. But anthropology reveals the fact that the German nation is a mixture of the descendants of various races, subraces, and strains and not a homogeneous stock descended from a common ancestry. The recently germanized Slav who has only a short time since changed his paternal family name for a German-sounding name believes that he is substantially attached to all Germans. But he does not experience any such inner urge impelling him to join the ranks of his brothers or cousins who remained Czechs or Poles.

The voice of the blood is not an original and primordial phenomenon. It is prompted by rational considerations. Because a man believes that he is related to other people by a common ancestry, he develops those feelings and sentiments which are poetically described as the voice of the blood.

The same is true with regard to religious ecstasy and mysticism of the soil. The unio mystica of the devout mystic is conditioned by familiarity with the basic teachings of his religion. Only a man who has learned about the greatness and glory of God can experience direct communion with Him. Mysticism of the soil is connected with the development of definite geopolitical ideas. Thus it may happen that inhabitants of the plains or the seashore include in the image of the soil with which they claim to be fervently joined and united also mountain districts which are unfamiliar to them and to whose conditions they could not adapt themselves, only because this territory belongs to the political body of which they are members, or would like to be members. On the other hand they often fail to include in this image of the soil whose voice they claim to

hear neighboring areas of a geographic structure very similar to that of their own country if these areas happen to belong to a foreign nation.

The various members of a nation or linguistic group and the clusters they form are not always united in friendship and good will. The history of every nation is a record of mutual dislike and even hatred between its subdivisions. Think of the English and the Scotch, the Yankees and the Southerners, the Prussians and the Bavarians. It was ideologies that overcame such animosities and inspired all members of a nation or linguistic group with those feelings of community and belonging together which present-day nationalists consider a natural and original phenomenon.

The mutual sexual attraction of male and female is inherent in man's animal nature and independent of any thinking and theorizing. It is permissible to call it original, vegetative, instinctive, or mysterious; there is no harm in asserting metaphorically that it makes one being out of two. We may call it a mystic communion of two bodies, a community. However, neither cohabitation, nor what precedes it and follows, generates social cooperation and societal modes of life. The animals too join together in mating, but they have not developed social relations. Family life is not merely a product of sexual intercourse. It is by no means natural and necessary that parents and children live together in the way in which they do in the family. The mating relation need not result in a family organization. The human family is an outcome of thinking, planning, and acting. It is this very fact which distinguishes it radically from those animal groups which we call *per analogiam* animal families.

The mystical experience of communion or community is not the source of societal relations, but their product.

The counterpart of the fable of the mystical communion is the fable of a natural and original repulsion between races or nations. It is asserted that an instinct teaches man to distinguish congeners from strangers and to detest the latter. Scions of noble races abominate any contact with members of lower races. To refute this statement one need only mention the fact of racial mixture. As there are in present-day Europe no pure stocks, we must conclude that between members of the various stocks which once settled in that continent there was sexual attraction and not repulsion. Millions of mulattoes and other half-breeds are living counterevidence to the assertion that there exists a natural repulsion between the various races.

Like the mystical sense of communion, racial hatred is not a natural phenomenon innate in man. It is the product of ideologies. But even if such a thing as a natural and inborn hatred between various races existed, it would not render social cooperation futile and would not invalidate Ricardo's theory of association. Social cooperation has nothing to do with personal

love or with a general commandment to love one another. People do not cooperate under the division of labor because they love or should love one another. They cooperate because this best serves their own interests. Neither love nor charity nor any other sympathetic sentiments but rightly understood selfishness is what originally impelled man to adjust himself to the requirements of society, to respect the rights and freedoms of his fellow men and to substitute peaceful collaboration for enmity and conflict.

## 7. The Great Society

Not every interhuman relation is a social relation. When groups of men rush upon one another in a war of outright extermination, when men fight against men as mercilessly as they crush pernicious animals and plants, there is, between the fighting parties, reciprocal effect and mutual relation, but no society. Society is joint action and cooperation in which each participant sees the other partner's success as a means for the attainment of his own.

The struggles in which primitive hordes and tribes fought one another for watering places, hunting and fishing grounds, pastures and booty were pitiless wars of annihilation. They were total wars. So in the nineteenth century were the first encounters of Europeans with the aborigines of territories newly made accessible. But already in the primeval age, long before the time of which historical records convey information, another mode of procedure began to develop. People preserved even in warfare some rudiments of social relations previously established; in fighting against peoples with whom they never before had had any contact, they began to take into account the idea that between human beings, notwithstanding their immediate enmity, a later arrangement and cooperation is possible. Wars were waged to hurt the foe; but the hostile acts were no longer merciless and pitiless in the full sense of these terms. The belligerents began to respect certain limits which in a struggle against men—as differentiated from that against beasts—should not be transcended. Above the implacable hatred and the frenzy of destruction and annihilation a societal element began to prevail. The idea emerged that every human adversary should be considered as a potential partner in a future cooperation, and that this fact should not be neglected in the conduct of military operations. War was no longer considered the normal state of interhuman relations. People recognized that peaceful cooperation is the best means to carry on the struggle for biological survival. We may even say that as soon as people realized that it is more advantageous to enslave the defeated than to kill them, the warriors, while still fighting, gave thought to the aftermath, the peace. Enslavement was by and large a preliminary step toward cooperation.

The ascendancy of the idea that even in war not every act is to be considered permissible, that there are legitimate and illicit acts of warfare, that there are laws, i.e., societal relationships which are above all nations, even above those momentarily fighting one another, has finally established the Great Society embracing all men and all nations. The various regional societies were merged into one ecumenical society.

Belligerents who do not wage war savagely in the manner of beasts, but according to “human” and social rules of warfare, renounce the use of some methods of destruction in order to attain the same concessions on the part of their foes. As far as such rules are complied with, social relations exist between the fighting parties. The hostile acts themselves are not only asocial, but antisocial. It is inexpedient to define the term “social relationships” in such a way as to include actions which aim at other people’s annihilation and at the frustration of their actions.<sup>8</sup> Where the only relations between men are those directed at mutual detriment, there is neither society nor societal relations.

Society is not merely interaction. There is interaction—reciprocal influence—between all parts of the universe: between the wolf and the sheep he devours; between the germ and the man it kills; between the falling stone and the thing upon which it falls. Society, on the other hand, always involves men acting in cooperation with other men in order to let all participants attain their own ends.

## 8. The Instinct of Aggression and Destruction

It has been asserted that man is a beast of prey whose inborn natural instincts impel him to fight, to kill, and to destroy. Civilization, in creating unnatural humanitarian laxity which alienates man from his animal origin, has tried to quell these impulses and appetites. It has made civilized man a decadent weakling who is ashamed of his animality and proudly calls his depravity true humaneness. In order to prevent further degeneration of the species man, it is imperative to free him from the pernicious effects of civilization. For civilization is merely a cunning invention of inferior men. These underlings are too weak to be a match for the vigorous heroes, they are too cowardly to endure the well-deserved punishment of complete annihilation, and they are too lazy and too insolent to serve the masters as slaves. Thus they have resorted to a tricky makeshift. They have reversed the eternal standards of value, absolutely fixed by the immutable laws of the

8. Such is the terminology used by Leopold von Wiese (*Allgemeine Soziologie* [Munich, 1924], I, 10 ff.).

universe; they have propagated a morality which calls their own inferiority virtue and the eminence of the noble heroes vice. This moral rebellion of the slaves must be undone by a transvaluation of all values. The ethics of the slaves, this shameful product of the resentment of weaklings, must be entirely discarded; the ethics of the strong or, properly speaking, the nullification of any ethical restriction must be substituted for it. Man must become a worthy scion of his ancestors, the noble beasts of days gone by.

It is usual to call such doctrines social or sociological Darwinism. We need not decide here whether this terminology is appropriate or not. At any rate it is a mistake to assign the epithets evolutionary and biological to teachings which blithely disparage the whole of mankind's history from the ages in which man began to lift himself above the purely animal existence of his nonhuman ancestors as a continuous progression toward degeneration and decay. Biology does not provide any standard for the appraisal of changes occurring within living beings other than whether or not these changes succeeded in adjusting the individuals to the conditions of their environment and thereby in improving their chances in the struggle for survival. It is a fact that civilization, when judged from this point of view, is to be considered a benefit and not an evil. It has enabled man to hold his own in the struggle against all other living beings, both the big beasts of prey and the even more pernicious microbes; it has multiplied man's means of sustenance; it has made the average man taller, more agile, and more versatile and it has stretched his average length of life; it has given man the uncontested mastery of the earth; it has multiplied population figures and raised the standard of living to a level never dreamed of by the crude cave dwellers of prehistoric ages. It is true that this evolution stunted the development of certain knacks and gifts which were once useful in the struggle for survival and have lost their usefulness under changed conditions. On the other hand it developed other talents and skills which are indispensable for life within the frame of society. However, a biological and evolutionary view must not cavil at such changes. For primitive man hard fists and pugnacity were as useful as the ability to be clever at arithmetic and to spell correctly are for modern man. It is quite arbitrary and certainly contrary to any biological standard to call only those characteristics which were useful to primitive man natural and adequate to human nature and to condemn the talents and skills badly needed by civilized man as marks of degeneration and biological deterioration. To advise man to return to the physical and intellectual features of his prehistoric ancestors is no more reasonable than to ask him to renounce his upright gait and to grow a tail again.

It is noteworthy that the men who were foremost in extolling the eminence of the savage impulses of our barbarian forefathers were so frail that their bodies would not have come up to the requirements of "living dangerously." Nietzsche even before his mental breakdown was so sickly that the only climate he could stand was that of the Engadin valley and of some Italian districts. He would not have been in a position to accomplish his work if civilized society had not protected his delicate nerves against the roughness of life. The apostles of violence wrote their books under the sheltering roof of "bourgeois security" which they derided and disparaged. They were free to publish their incendiary sermons because the liberalism which they scorned safeguarded freedom of the press. They would have been desperate if they had had to forego the blessings of the civilization scorned by their philosophy. And what a spectacle was that timid writer Georges Sorel, who went so far in his praise of brutality as to blame the modern system of education for weakening man's inborn tendencies toward violence!<sup>9</sup>

One may admit that in primitive man the propensity for killing and destroying and the disposition for cruelty were innate. We may also assume that under the conditions of earlier ages the inclination for aggression and murder was favorable to the preservation of life. Man was once a brutal beast. (There is no need to investigate whether prehistoric man was a carnivore or a herbivore.) But one must not forget that he was physically a weak animal; he would not have been a match for the big beasts of prey if he had not been equipped with a peculiar weapon, reason. The fact that man is a reasonable being, that he therefore does not yield without inhibitions to every impulse, but arranges his conduct according to reasonable deliberation, must not be called unnatural from a zoological point of view. Rational conduct means that man, in face of the fact that he cannot satisfy all his impulses, desires, and appetites, foregoes the satisfaction of those which he considers less urgent. In order not to endanger the working of social cooperation man is forced to abstain from satisfying those desires whose satisfaction would hinder the establishment of societal institutions. There is no doubt that such a renunciation is painful. However, man has made his choice. He has renounced the satisfaction of some desires incompatible with social life and has given priority to the satisfaction of those desires which can be realized only or in a more plentiful way under a system of the division of labor. He has entered upon the way toward civilization, social cooperation, and wealth.

9. Georges Sorel, *Réflexions sur la violence* (3d. ed., Paris, 1912), p. 269.

This decision is not irrevocable and final. The choice of the fathers does not impair the sons' freedom to choose. They can reverse the resolution. Every day they can proceed to the transvaluation of values and prefer barbarism to civilization, or, as some authors say, the soul to the intellect, myths to reason, and violence to peace. But they must choose. It is impossible to have things incompatible with one another.

Science, from the point of view of its valuational neutrality, does not blame the apostles of the gospel of violence for praising the frenzy of murder and the mad delights of sadism. Value judgments are subjective, and liberal society grants to everybody the right to express his sentiments freely. Civilization has not extirpated the original tendency toward aggression, bloodthirstiness, and cruelty which characterized primitive man. In many civilized men they are dormant and burst forth as soon as the restraints developed by civilization give way. Remember the unspeakable horrors of the Nazi concentration camps. The newspapers continually report abominable crimes manifesting the latent urges toward bestiality. The most popular novels and moving pictures are those dealing with bloodshed and violent acts. Bull fights and cock fights attract large crowds.

If an author says: the rabble thirst for blood and I with them, he may be no less right than in asserting that primitive man too took delight in killing. But he errs if he passes over the fact that the satisfaction of such sadistic desires impairs the existence of society or if he asserts that "true" civilization and the "good" society are an achievement of people blithely indulging in their passion for violence, murder, and cruelty, that the repression of the impulses toward brutality endangers mankind's evolution and that a substitution of barbarism for humanitarianism would save man from degeneration. The social division of labor and cooperation rests upon conciliatory settlement of disputes. Not war, as Heraclitus said, but peace is the source of all social relations. To man desires other than that for bloodshed are inborn. If he wants to satisfy these other desires, he must forego his urge to kill. He who wants to preserve life and health as well and as long as possible, must realize that respect for other people's lives and health better serves his aim than the opposite mode of conduct. One may regret that such is the state of affairs. But no such lamentations can alter the hard facts.

It is useless to censure this statement by referring to irrationality. All instinctive impulses defy examination by reason because reason deals only with the means for attaining ends sought and not with ultimate ends. But what distinguishes man from other animals is precisely that he does not yield without any will of his own to an instinctive urge. Man uses reason in order

to choose between the incompatible satisfactions of conflicting desires.

One must not tell the masses: Indulge in your urge for murder; it is genuinely human and best serves your well-being. One must tell them: If you satisfy your thirst for blood, you must forego many other desires. You want to eat, to drink, to live in fine homes, to clothe yourselves, and a thousand other things which only society can provide. You cannot have everything, you must choose. The dangerous life and the frenzy of sadism may please you, but they are incompatible with the security and plenty which you do not want to miss either.

Praxeology as a science cannot encroach upon the individual's right to choose and to act. The final decisions rest with acting men, not with the theorists. Science's contribution to life and action does not consist in establishing value judgments, but in clarification of the conditions under which man must act and in elucidation of the effects of various modes of action. It puts at the disposal of acting man all the information he needs in order to make his choices in full awareness of their consequences. It prepares an estimate of cost and yield, as it were. It would fail in this task if it were to omit from this statement one of the items which could influence people's choices and decisions.

*Current Misinterpretations of Modern Natural  
Science, Especially of Darwinism*

Some present-day antiliberals, both of the right-wing and of the left-wing variety, base their teachings on misinterpretations of the achievements of modern biology.

1. *Men are unequal.* Eighteenth-century liberalism and likewise present-day egalitarianism start from the "self-evident truth" that "all men are created equal, and that they are endowed by their Creator with certain unalienable Rights." However, say the advocates of a biological philosophy of society, natural science has demonstrated in an irrefutable way that men are different. There is no room left in the framework of an experimental observation of natural phenomena for such a concept as natural rights. Nature is unfeeling and insensible with regard to any being's life and happiness. Nature is iron necessity and regularity. It is metaphysical nonsense to link together the "slippery" and vague notion of liberty and the unchangeable absolute laws of cosmic order. Thus the fundamental idea of liberalism is unmasked as a fallacy.

Now it is true that the liberal and democratic movement of the eighteenth and nineteenth centuries drew a great part of its strength from the doctrine of natural law and the innate imprescriptible rights of the individual. These ideas, first developed by ancient philosophy and Jewish theology, permeated

Christian thinking. Some anti-Catholic sects made them the focal point of their political programs. A long line of eminent philosophers substantiated them. They became popular and were the most powerful moving force in the prodemocratic evolution. They are still supported today. Their advocates do not concern themselves with the incontestable fact that God or nature did not create men equal since many are born hale and hearty while others are crippled and deformed. With them all differences between men are due to education, opportunity, and social institutions.

But the teachings of utilitarian philosophy and classical economics have nothing at all to do with the doctrine of natural right. With them the only point that matters is social utility. They recommend popular government, private property, tolerance, and freedom not because they are natural and just, but because they are beneficial. The core of Ricardo's philosophy is the demonstration that social cooperation and division of labor between men who are in every regard superior and more efficient and men who are in every regard inferior and less efficient is beneficial to both groups. Bentham, the radical, shouted: "*Natural rights* is simple nonsense: natural and imprescriptible rights, rhetorical nonsense."<sup>10</sup> With him "the sole object of government ought to be the greatest happiness of the greatest possible number of the community."<sup>11</sup> Accordingly, in investigating what ought to be right he does not care about preconceived ideas concerning God's or nature's plans and intentions, forever hidden to mortal men; he is intent upon discovering what best serves the promotion of human welfare and happiness. Malthus showed that nature in limiting the means of subsistence does not accord to any living being a right of existence, and that by indulging heedlessly in the natural impulse of proliferation man would never have risen above the verge of starvation. He contended that human civilization and well-being could develop only to the extent that man learned to rein his sexual appetites by moral restraint. The Utilitarians do not combat arbitrary government and privileges because they are against natural law but because they are detrimental to prosperity. They recommend equality under the civil law not because men are equal but because such a policy is beneficial to the commonweal. In rejecting the illusory notions of natural law and human equality modern biology only repeated what the utilitarian champions of liberalism and democracy long before had taught in a much more persuasive way. It is obvious that no biological doctrine can ever invalidate what utilitarian philosophy says about the social utility of democratic government, private property, freedom, and equality under the law.

10. Bentham, *Anarchical Fallacies; being an Examination of the Declaration of Rights issued during the French Revolution*, in *Work* (ed. by Bowring), II, 501.

11. Bentham, *Principles of the Civil Code*, in *Works*, I, 301.

The present-day prevalence of doctrines approving social disintegration and violent conflict is not the result of an alleged adaptation of social philosophy to the findings of biology but of the almost universal rejection of utilitarian philosophy and economic theory. People have substituted an ideology of irreconcilable class conflict and international conflict for the "orthodox" ideology of the harmony of the rightly understood, i.e., long-run, interests of all individuals, social groups, and nations. Men are fighting one another because they are convinced that the extermination and liquidation of adversaries is the only means of promoting their own well-being.

2. *The social implications of Darwinism.* The theory of evolution as expounded by Darwin, says a school of social Darwinism, has clearly demonstrated that in nature there are no such things as peace and respect for the lives and welfare of others. In nature there is always struggle and merciless annihilation of the weak who do not succeed in defending themselves. Liberalism's plans for eternal peace—both in domestic and in foreign relations—are the outcome of an illusory rationalism contrary to the natural order.

However, the notion of the struggle for existence as Darwin borrowed it from Malthus and applied it in his theory, is to be understood in a metaphorical sense. Its meaning is that a living being actively resists the forces detrimental to its own life. This resistance, if it is to succeed, must be appropriate to the environmental conditions in which the being concerned has to hold its own. It need not always be a war of extermination such as in the relations between men and morbidic microbes. Reason has demonstrated that, for man, the most adequate means of improving his condition is social cooperation and division of labor. They are man's foremost tool in his struggle for survival. But they can work only where there is peace. Wars, civil wars, and revolutions are detrimental to man's success in the struggle for existence because they disintegrate the apparatus of social cooperation.

3. *Reason and rational behavior called unnatural.* Christian theology deprecated the animal functions of man's body and depicted the "soul" as something outside of all biological phenomena. In an excessive reaction against this philosophy some moderns are prone to disparage everything in which man differs from other animals. In their eyes human reason is inferior to the animal instincts and impulses; it is unnatural and therefore bad. With them the terms rationalism and rational behavior have an opprobrious connotation. The perfect man, the real man, is a being who obeys his primordial instincts more than his reason.

The obvious truth is that reason, man's most characteristic feature, is also a biological phenomenon. It is neither more nor less natural than any other feature of the species *homo sapiens*, for instance, the upright gait or the hairless skin.